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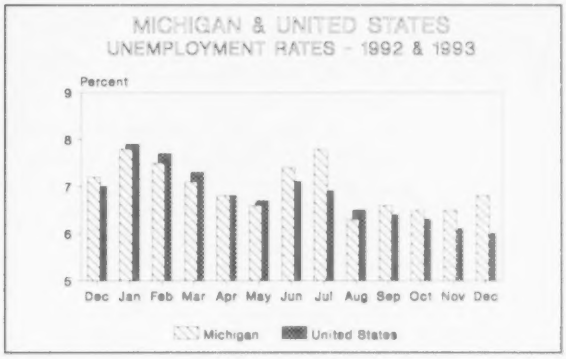
MICHIGAN'S
LABOR MARKET NEWS

Volume 49 Number 12 *February 1994*

LABOR FORCE AND EMPLOYMENT EXPAND SEASONALLY

The number of Michigan workers looking for employment continued to increase as the state's unemployment rate climbed from 6.5 to 6.8 percent in December. The rate increase represents 15,000 additional individuals out of work, as unemployment advanced to 320,000. Labor force jumped by 34,000 reaching 4,704,000 for the month, while total employment moved up by 18,000 to 4,384,000. The increase in the labor force was attributed to the approach of the holidays, as seasonal workers entered the state's job market, looking for temporary employment. More than half of these individuals found jobs, mostly in retail trade.



Compared with a year ago, December's labor force and employment levels have expanded by 93,000 and 108,000 respectively, while unemployment declined by 11,000. This has resulted in an over the year drop of 0.4 percentage points in the state's unemployment rate.

WAGE AND SALARY EMPLOYMENT UP IN DECEMBER

Total wage and salary employment in Michigan advanced as industry jobs moved up to 4,052,600 in December. Employment opportunities edged upward by 5,500 as gains were centered in the service producing industries. Goods producing jobs decreased by 2,100, primarily as a result of seasonal declines in construction and related industries. Service employment gained 7,600 jobs in December, as the holiday shopping season reached its peak. Most of the gains were concentrated in the retail trade industry. State and local government reported some losses as schools closed for the holidays.

In December, the average workweek in the state's manufacturing industries increased to 45.1 hours from 44.3 hours the previous month. The gain was due to additional hours of overtime work in the automotive and related industries. During the month, average hourly earnings advanced by 39 cents to $16.11. As a result, average weekly earnings in manufacturing reached $726.56, a gain of $30.16 over November's total.

HOURS AND EARNINGS
MICHIGAN

	Average Hourly Earnings		Average Weekly Hours	
	1993		1993	
	Dec.	Nov.	Dec.	Nov.
Manufacturing	16.11	15.72	45.1	44.3
Durables	17.12	16.70	45.9	45.0
Motor Vehicles	21.12	20.52	46.7	45.6
Nondurables	12.79	12.59	42.6	42.1

ECONOMIC TRENDS
MICHIGAN, 1993

Michigan's labor force and employment averages for the year reached record highs in 1993, while the unemployment rate fell to its lowest annual average in 15 years. In 1993, total employment stood at 4,333,000, an increase of 28,000 over 1992. The labor force advanced by 49,000 reaching a total of 4,659,000, while the unemployment rate settled at 7.0 percent, a drop of 1.8 points from 8.8 percent in 1992.

Wage and salary employment in Michigan advanced steadily throughout the year, averaging 3,968,000, an increase of 50,000 over 1992. Employment opportunities expanded both in the goods producing and the service producing sectors of the economy. Among the goods producing industries, overall durable goods employment decreased by 1,000 to a 666,000 level for 1993. Although some industries within the sector experienced gains, these were more than offset by a loss of 8,000 jobs in the transportation equipment industry. Nondurable goods, on the other hand, advanced by 5,000 or 2.2 percent over 1992. The industries showing the greatest gains among the nondurables were rubber and miscellaneous plastic products.

Most of the gains in wage and salary employment were observed in the service producing industries. Over the year, employment opportunities advanced by 43,000, as gains were centered in services (Business, Health and Social Services), with an increase of 34,000 or 3.5 percent; and retail trade (Hardware and General Merchandise Stores), up by 10,000, or 1.4 percent. Total government employment remained unchanged at 641,000.

	Michigan (Data in Thousands)		
	Dec 1993	Nov 1993	Dec 1992
Place of Residence			
Labor Force	4,704	4,670	4,611
Employment	4,384	4,366	4,281
Unemployment	320	305	331
Rate (Percent)	6.8	6.5	7.2
Place of Work			
Total Employment	4,053	4,048	3,996
Goods Producing	1,060	1,062	1,044
Const. & Mining	139	150	134
Manufacturing	921	912	909
Durable Goods	684	675	676
Primary Metals	37	37	36
Fabricated Metals	118	119	117
Trans. Equip.	286	279	287
Nondurable Goods	237	237	233
Food & Kindred	43	45	44
Other Nondurable	194	192	190
Service Producing	2,993	2,987	2,953
Tran. Comm. Util.	156	156	155
Wholesale Trade	199	197	200
Retail Trade	772	758	763
General Merch.	135	128	131
Eating & Drinking	263	262	261
Fin. Ins. Real Est.	189	187	188
Finance	93	87	86
Services	1,018	1,024	986
Business Services	206	207	195
Health Services	335	336	328
Other Services	477	481	463
Government	659	665	661
Federal	58	57	58
State	172	173	171
Local	430	436	432
Labor Disputes	0.1	0.1	0.3

Civilian Labor Force and Wage & Salary Estimates

	Ann Arbor			Battle Creek			Benton Harbor		
	Dec 1993	Nov 1993	Dec 1992	Dec 1993	Nov 1993	Dec 1992	Dec 1993	Nov 1993	Dec 1992
Place of Residence									
Labor Force	165,500	164,800	166,700	66,900	66,700	65,300	79,600	79,400	78,300
Employment	159,300	158,900	160,200	62,300	62,500	60,900	73,700	73,700	72,500
Unemployment	6,200	5,900	6,600	4,600	4,200	4,400	5,900	5,700	5,800
Rate (Percent)	3.8	3.6	3.9	6.9	6.3	6.7	7.4	7.2	7.4
Place of Work									
Total Employment	180,400	180,600	182,100	62,000	62,400	61,000	67,900	68,100	67,400
Construction & Mining	3,900	4,200	3,400	1,900	2,100	1,900	1,800	1,900	1,800
Manufacturing	34,900	34,700	37,500	16,600	16,600	16,400	20,200	20,100	20,400
Tran., Comm. & Utilities	3,900	3,800	4,200	2,000	2,000	2,000	3,000	3,000	2,800
Wholesale Trade	4,700	4,700	5,100	1,700	1,700	1,700	2,200	2,200	2,200
Retail Trade	27,500	27,200	27,600	12,000	12,000	11,600	12,400	12,200	12,000
Fin., Ins. & Real Estate	4,900	5,000	4,900	3,100	3,100	3,100	2,700	2,700	2,600
Services	40,100	40,200	39,400	13,000	13,300	12,800	16,200	16,600	16,100
Government	60,500	60,800	60,000	11,500	11,500	11,500	9,400	9,400	9,500
Labor Disputes	0	0	0	0	0	0	0	0	0

	Jackson			Kalamazoo			Lansing		
	Dec 1993	Nov 1993	Dec 1992	Dec 1993	Nov 1993	Dec 1992	Dec 1993	Nov 1993	Dec 1992
Place of Residence									
Labor Force	67,800	66,800	65,800	126,000	125,100	123,600	245,300	243,700	241,200
Employment	62,500	62,000	60,600	120,700	120,200	117,900	233,400	232,600	229,400
Unemployment	5,300	4,800	5,200	5,300	4,800	5,700	11,800	11,100	11,800
Rate (Percent)	7.9	7.2	8.0	4.2	3.9	4.6	4.8	4.6	4.9
Place of Work									
Total Employment	56,000	55,800	54,700	119,800	119,800	117,800	219,100	219,200	217,200
Construction & Mining	1,600	1,700	1,600	4,300	4,400	4,100	6,000	6,300	5,900
Manufacturing	12,600	12,500	12,100	27,800	27,600	28,100	29,100	28,600	29,500
Tran., Comm. & Utilities	3,600	3,600	3,500	3,200	3,200	3,100	6,500	6,600	6,500
Wholesale Trade	2,300	2,200	2,200	4,400	4,400	4,400	8,900	8,800	8,500
Retail Trade	12,100	11,900	11,600	23,300	23,100	22,700	40,800	40,500	40,400
Fin., Ins. & Real Estate	1,700	1,600	1,800	6,500	6,600	6,400	12,600	12,500	12,300
Services	12,000	11,900	11,600	30,800	30,900	30,300	46,200	46,800	44,000
Government	10,200	10,300	10,400	19,500	19,700	18,600	69,000	69,200	70,000
Labor Disputes	0	0	0	0	0	0	0	0	0

Civilian Labor Force and Wage & Salary Estimates

	Detroit (Data in Thousands)			Flint			Grand Rapids		
	Dec 1993	Nov 1993	Dec 1992	Dec 1993	Nov 1993	Dec 1992	Dec 1993	Nov 1993	Dec 1992
Place of Residence									
Labor Force	2,190	2,170	2,154	183,500	181,400	182,000	405,500	403,000	393,200
Employment	2,047	2,030	1,998	166,300	164,500	165,300	385,400	383,200	371,500
Unemployment	143	140	155	17,200	16,800	16,700	20,200	19,800	21,600
Rate (Percent)	6.5	6.5	7.2	9.4	9.3	9.2	5.0	4.9	5.5
Place of Work									
Total Employment	1,942	1,937	1,914	167,000	165,500	167,200	381,300	380,500	370,600
Construction & Mining	59	62	57	5,300	5,500	4,700	15,600	16,400	14,700
Manufacturing	441	436	428	46,000	45,000	47,100	104,300	103,500	100,900
Tran., Comm. & Utilities	90	89	87	4,500	4,500	4,800	14,000	13,900	13,400
Wholesale Trade	111	110	113	7,100	7,000	7,400	28,100	28,100	27,600
Retail Trade	364	353	355	33,300	33,000	33,600	71,000	70,300	70,600
Fin., Ins. & Real Estate	105	105	107	5,900	6,000	5,900	17,400	17,200	16,700
Services	533	538	526	40,600	40,500	39,000	91,900	92,400	88,800
Government	239	243	242	24,400	24,000	24,700	39,000	38,700	37,900
Labor Disputes	0	0	0.3	0	0	0	0	0	0

	Muskegon			Saginaw - Bay - Midland			Upper Peninsula		
	Dec 1993	Nov 1993	Dec 1992	Dec 1993	Nov 1993	Dec 1992	Dec 1993	Nov 1993	Dec 1992
Place of Residence									
Labor Force	66,000	65,800	65,600	192,100	191,200	189,400	151,300	150,600	145,900
Employment	59,600	59,700	59,000	179,000	179,200	177,000	136,300	137,200	131,600
Unemployment	6,400	6,100	6,600	13,100	12,100	12,400	15,000	13,400	14,300
Rate (Percent)	9.7	9.3	10.1	6.8	6.3	6.6	9.9	8.9	9.8
Place of Work									
Total Employment	56,600	56,900	56,400	166,800	167,800	166,300	117,600	118,500	114,800
Construction & Mining	1,900	2,000	1,800	7,500	8,600	7,100	7,000	8,100	7,000
Manufacturing	14,700	14,800	14,900	41,800	41,700	42,900	15,100	15,000	15,100
Tran., Comm. & Utilities	2,200	2,200	2,300	6,300	6,300	6,300	5,400	5,400	5,400
Wholesale Trade	2,200	2,200	2,200	5,800	5,800	6,000	3,100	3,200	3,100
Retail Trade	11,300	11,300	11,500	37,100	36,900	36,500	24,200	24,400	23,800
Fin., Ins. & Real Estate	1,800	1,800	1,800	6,200	6,200	5,900	4,200	4,200	4,200
Services	12,800	12,800	12,400	40,500	40,800	39,500	23,600	23,400	22,300
Government	9,600	9,700	9,600	21,600	21,600	22,100	34,800	34,800	33,800
Labor Disputes	0	0	0	0	0	0	0	0	0

MAJOR LABOR MARKET AREAS

SEASONAL LABOR FORCE INCREASES IN ALL METROPOLITAN AREAS

Workers seeking temporary employment during the holiday season caused the December unemployment rates to increase in 11 of Michigan's 12 major labor market areas. Only the Detroit area unemployment rate remained unchanged at 6.6 percent for the month. December labor force totals advanced seasonally in all areas, as many individuals who lost their jobs in warm weather industries such as construction and tourism, reentered the job market in search of temporary employment during the holiday season. Many workers were successful in their endeavors, as 8 major areas reported increases in their employment levels for the month.

Among Michigan's major labor market areas, Ann Arbor enjoyed the lowest unemployment rate at 3.8 percent, followed by Kalamazoo with 4.2 percent, while the Upper Peninsula and Muskegon areas had the highest rates at 9.9 and 9.7 percent, respectively. The largest rate increase in December occurred in the Upper Peninsula, where unemployment advanced to 9.9 percent from 8.9 percent in November. The increase was due largely to the end of the tourism and recreational season. Compared with a year ago, the unemployment rates showed a decline in seven areas, one remained unchanged and four increased slightly.

RETAIL TRADE EMPLOYMENT UP IN DECEMBER

Total December wage and salary employment fell in six of the 12 major labor market areas; four advanced and two remained unchanged. The Upper Peninsula recorded the highest decline, caused by seasonal layoffs in the tourism, amusement and recreational industries. Among the major areas, Flint experienced the largest percentage increase, 0.7 percent, followed by Detroit and Jackson, with 0.5 and 0.4 percent respectively. Despite seasonal declines in construction and state and local government, most areas showed seasonal gains in the service producing industries, as many retail businesses expanded their staff in preparation for the holiday season. The Detroit and Flint areas also showed employment growth in transportation equipment and related industries.

During December, the average workweek in the manufacturing industries advanced in eleven major metropolitan areas. The gains were due to increases in both durable and the nondurable goods industries. Average hourly earnings moved up in ten of the metropolitan statistical areas over the month, causing average weekly earnings in all areas but one to rise. The largest gains were reflected in Flint and Battle Creek with increases of $59.99 and $58.26, respectively.

MANUFACTURING HOURS AND EARNINGS
Major Labor Market Areas
November and December 1993

Area	Average Weekly Hours		Average Weekly Earnings		Average Hourly Earnings	
	Dec.	Nov.	Dec.	Nov.	Dec.	Nov.
Ann Arbor	45.6	44.5	798.00	754.72	17.50	16.96
Battle Creek	44.1	43.6	792.48	734.22	17.97	16.84
Benton Harbor	43.8	42.8	508.08	489.20	11.60	11.43
Detroit	47.2	46.0	818.92	782.00	17.35	17.00
Flint	46.5	45.4	1,000.68	940.69	21.52	20.72
Grand Rapids	43.3	43.0	567.66	556.42	13.11	12.94
Jackson	43.9	43.6	495.63	493.55	11.29	11.32
Kalamazoo	45.2	44.5	681.62	675.95	15.08	15.19
Lansing	41.4	41.3	789.91	745.46	19.08	18.05
Muskegon	44.9	42.2	578.31	522.44	12.88	12.38
Saginaw	43.6	43.0	800.50	780.88	18.36	18.16
Upper Peninsula	39.7	40.5	441.07	444.69	11.11	10.98

ELIGIBLE LABOR SURPLUS AREA DETERMINATION

Employers located in labor surplus areas, as classified by the Department of Labor, can be given preference in bidding on federal procurement contracts. The purpose in providing such preference is to help direct the government's procurement dollars into areas where people are in the most severe economic need, i.e., areas with the highest unemployment rates.

Labor surplus areas are classified on the basis of civil jurisdictions rather than metropolitan or labor market areas. By classifying labor surplus areas in this way, Federal contracts can be targeted to those specific localities with high unemployment. Civil jurisdictions are defined as all cities with a population of at least 25,000 and all counties. Townships of 25,000 or more population are also considered as civil jurisdictions in four states, including Michigan.

A civil jurisdiction is classified as a labor surplus area when its average unemployment rate is at least 20 percent above the average unemployment rate for all States (including the District of Columbia and Puerto Rico), during the previous 2 calendar years. A 10 percent ceiling concept is used during periods of high national unemployment, (two years averaging 8.3 percent or above). In this case, an area is classified as a labor surplus area if its unemployment rate during the previous 2 calendar years was 10 percent or more. Similarly, a "floor" concept of 6.0 percent is used during periods of low national unemployment (two years average 5.3 percent or less), in order for an area to qualify as a labor surplus area.

The Department of Labor issues the labor surplus area listing on a fiscal year basis, (October 1st through September 30th). During the course of the fiscal year, the annual listing is updated on the basis of exceptional circumstance petitions submitted by the State employment security agencies and approved by the Employment and Training Administration. The reference period used in preparing the current list was January 1991 through December 1992. The national average jobless rate during this period was 7.1 percent. The qualifying rate for labor surplus area classification is therefore 8.5 percent (7.1 percent times 1.20 equals 8.5 percent).

Information on eligible labor surplus areas may be obtained from the monthly "Area Trends In Employment and Unemployment" publication, published by the U. S. Department of Labor, Employment and Training Administration, or by contacting the Michigan Employment Security Commission, Information and Reports Section at (313) 876-5427.

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